

IC 22-14-5

Chapter 5. Firefighting and Emergency Equipment Revolving Loan Fund

IC 22-14-5-1

Establishment; purposes; reversion; audit

Sec. 1. (a) The firefighting and emergency equipment revolving loan fund is established. The office shall administer the revolving fund. The revolving fund must be used for the purposes of:

(1) providing loans for the purchase of new or used firefighting and other emergency equipment or apparatus under this chapter; and

(2) paying the costs of administering this chapter.

(b) The revolving fund consists of:

(1) amounts appropriated by the general assembly;

(2) the repayment proceeds (including interest) of loans made from the revolving fund;

(3) donations, grants, and money received from any other source; and

(4) amounts that the department transfers to the revolving fund from the fire and building services fund.

(c) The treasurer of state shall invest the money in the revolving fund not currently needed to meet the obligations of the revolving fund in the same manner as other public funds may be invested.

(d) Money in the revolving fund at the end of the fiscal year does not revert to the state general fund.

(e) The revolving fund is subject to an annual audit by the state board of accounts. The revolving fund shall pay all costs of the audit.
As added by P.L.70-1995, SEC.5.

IC 22-14-5-2

Rules

Sec. 2. The commission shall adopt rules under IC 4-22-2 to do the following:

(1) Establish the policies and procedures to be used by the department in the administration of the revolving fund.

(2) Specify the information that must be submitted with a loan application.

(3) Adopt other rules under IC 4-22-2 that are needed to carry out this chapter.

(4) Establish a loan priority rating system.

(5) Prescribe the forms to be used by the office in administering the revolving fund.

(6) Prescribe the persons authorized to execute loan documents on behalf of a qualified entity.

As added by P.L.70-1995, SEC.5.

IC 22-14-5-3

Prohibition against matching requirement

Sec. 3. The commission may not require a qualified entity to

provide money from other sources to match the amount of a loan under this chapter.

As added by P.L.70-1995, SEC.5.

IC 22-14-5-4

Maximum outstanding loans

Sec. 4. The total amount of loans under this chapter that may be outstanding at any time may not exceed five million dollars (\$5,000,000).

As added by P.L.70-1995, SEC.5.

IC 22-14-5-5

Maximum outstanding loans to single qualified entity

Sec. 5. The total amount of loans under this chapter that may be outstanding at any time to a single qualified entity may not exceed one hundred fifty thousand dollars (\$150,000).

As added by P.L.70-1995, SEC.5.

IC 22-14-5-6

Duties of office

Sec. 6. (a) The office shall do the following:

- (1) Review and approve or disapprove applications for loans from the revolving fund.
- (2) Establish the terms of loans from the revolving fund.
- (3) Manage the loans.

(b) The office shall review applications for loans from the revolving fund on December 1 and June 1.

(c) A properly completed application for a loan from the revolving fund must be received by the office not later than:

- (1) November 16 for the application to be eligible for review on a December 1 review date; or
- (2) May 17 for the application to be eligible for review on a June 1 review date.

(d) If the office receives a loan application after a deadline for receiving loan applications set forth in subsection (c), the office shall:

- (1) retain the loan application; and
- (2) review the application on the next review date.

As added by P.L.70-1995, SEC.5. Amended by P.L.90-1997, SEC.5.

IC 22-14-5-7

Contracts

Sec. 7. The office may enter into contracts that are necessary for the administration of this chapter, including contracts for the servicing of loans.

As added by P.L.70-1995, SEC.5.

IC 22-14-5-8

Loan priority rating

Sec. 8. (a) The office shall assign a loan priority rating to each

loan application under this chapter.

(b) The loan priority rating must be assigned in conformity with criteria adopted by the commission. The rating that is assigned must reflect the relative need of the qualified entity for the loan.

(c) The office shall make loans available to qualified entities in descending order beginning with the qualified entity with the highest loan priority rating.

As added by P.L.70-1995, SEC.5. Amended by P.L.90-1997, SEC.6.

IC 22-14-5-9

Conditions for loan approval

Sec. 9. A loan under this chapter is subject to the following conditions:

(1) The qualified entity may use the loan only for the purchase of new or used firefighting and other emergency equipment or apparatus, and legal and other incidental expenses that are directly related to acquiring the equipment or apparatus.

(2) The repayment period may not exceed seven (7) years.

(3) The amount of the loan may not be less than ten thousand dollars (\$10,000).

(4) The interest rate is to be set by the board of finance at a rate that is not more than two percent (2%) below the prime bank lending rate prevailing at the time the loan is approved.

(5) All interest reverts to the revolving fund created by this chapter.

(6) The loan must be repaid in installments, including interest on the unpaid balance of the loan.

(7) The repayment of principal may be deferred for a period not to exceed two (2) years.

(8) The repayment of the loan may be limited to a specified revenue source of the qualified entity. If the repayment is limited, the repayment:

(A) is not a general obligation of the qualified entity; and

(B) is payable solely from the specified revenue source.

(9) If prepayment of the loan is made, a penalty may not be charged.

(10) The office shall have a security interest in the purchased firefighting or other emergency equipment or apparatus for the balance of the loan, accrued interest, penalties, and collection expenses.

(11) Any other conditions that the office considers appropriate.

As added by P.L.70-1995, SEC.5.

IC 22-14-5-10

Negotiation of loan without public sale of debt instruments

Sec. 10. Notwithstanding any other law, the loan to a qualified entity under this section may be directly negotiated with the office without public sale of bonds or other evidences of indebtedness of the qualified entity.

As added by P.L.70-1995, SEC.5.

IC 22-14-5-11**Approval of fiscal unit**

Sec. 11. Before applying for a loan under this chapter, a qualified entity must obtain the approval of a fiscal unit that contracts with the qualified entity if:

- (1) the unit is providing more than twenty-five percent (25%) of the revenue of the qualified entity in the year the loan is to be applied for; and
- (2) any portion of the loan will be repaid from funds paid to the qualified entity by the unit.

As added by P.L.70-1995, SEC.5.

IC 22-14-5-12**Loan not constituting lending of credit**

Sec. 12. The making of the loan from the revolving fund does not constitute the lending of credit by the state for purposes of any other statute or the Constitution of the State of Indiana.

As added by P.L.70-1995, SEC.5.

IC 22-14-5-13**State recovery of outstanding loans**

Sec. 13. If a qualified entity fails to make repayment of money loaned under this chapter or is in any way indebted to the revolving fund for any amount incurred or accrued, the amount payable may be recovered in an action by the state on relation of the department that is prosecuted by the attorney general in the circuit or superior court of the county in which the qualified entity is located.

As added by P.L.70-1995, SEC.5.